

Superseded 5/10/2016

17C-1-412 Use of funds allocated for housing -- Separate accounting required -- Issuance of bonds for housing -- Action to compel agency to provide housing funds.

- (1)
- (a) Each agency shall use all funds allocated for housing under Section 17C-2-203 or 17C-3-202 to:
 - (i) pay part or all of the cost of land or construction of income targeted housing within the boundary of the agency, if practicable in a mixed income development or area;
 - (ii) pay part or all of the cost of rehabilitation of income targeted housing within the boundary of the agency;
 - (iii) lend, grant, or contribute money to a person, public entity, housing authority, private entity or business, or nonprofit corporation for income targeted housing within the boundary of the agency;
 - (iv) plan or otherwise promote income targeted housing within the boundary of the agency;
 - (v) pay part or all of the cost of land or installation, construction, or rehabilitation of any building, facility, structure, or other housing improvement, including infrastructure improvements, related to housing located in a project area where blight has been found to exist;
 - (vi) replace housing units lost as a result of the urban renewal, economic development, or community development;
 - (vii) make payments on or establish a reserve fund for bonds:
 - (A) issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and
 - (B) all or part of the proceeds of which are used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
 - (viii) if the community's fair share ratio at the time of the first adoption of the project area budget is at least 1.1 to 1.0, make payments on bonds:
 - (A) that were previously issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and
 - (B) all or part of the proceeds of which were used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi); or
 - (ix) relocate mobile home park residents displaced by an urban renewal, economic development, or community development project.
 - (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or any portion of housing funds to:
 - (i) the community for use as provided under Subsection (1)(a);
 - (ii) the housing authority that provides income targeted housing within the community for use in providing income targeted housing within the community; or
 - (iii) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within the community.
- (2) The agency or community shall separately account for the housing funds, together with all interest earned by the housing funds and all payments or repayments for loans, advances, or grants from the housing funds.
- (3) An agency may:
- (a) issue bonds from time to time to finance a housing undertaking under this section, including the payment of principal and interest upon advances for surveys and plans or preliminary loans; and

- (b) issue refunding bonds for the payment or retirement of bonds under Subsection (3)(a) previously issued by the agency.
- (4) An agency:
 - (a) shall allocate housing funds each year in which the agency receives sufficient tax increment to make a housing allocation required by the project area budget; and
 - (b) is relieved, to the extent tax increment is insufficient in a year, of an obligation to allocate housing funds for the year tax increment is insufficient.
- (5)
 - (a) Except as provided in Subsection (4), if an agency fails to provide housing funds in accordance with the project area budget and, if applicable, the housing plan adopted under Subsection 17C-2-204(2), the loan fund board may bring legal action to compel the agency to provide the housing funds.
 - (b) In an action under Subsection (5)(a), the court:
 - (i) shall award the loan fund board reasonable attorney fees, unless the court finds that the action was frivolous; and
 - (ii) may not award the agency its attorney fees, unless the court finds that the action was frivolous.